

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
TYLER DIVISION**

<u>ADVANCEME, INC.</u>	§	
	§	
VS.	§	CIVIL ACTION NO. 6:06CV82 (LED)
	§	
	§	
<u>AMERIMERCHANT, L.L.C.</u>	§	

**MEDIATOR'S REPORT**

An initial mediation conference was held on September 20, 2006. Party representatives and counsel participated. The merits of the case were discussed with no resolution being reached. The mediation is now suspended, but I will follow up with the parties and make further reports to the Court.

Signed this 22<sup>nd</sup> day of September, 2006.

/s/ James W. Knowles  
JAMES W. KNOWLES, MEDIATOR